



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0448	Title:	Revise state land law relating to inventory and classification
Primary Sponsor:	Pomnichowski, JP	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

There is no fiscal impact to the state.

Technical Notes:

Department of Natural Resources and Conservation

Agriculture, Grazing and Other Leases

1. In Section 2 (page 2, lines 1-3), the department does not have complete data regarding public access. This information is currently being collected each year in association with lease renewal inspections, but will require seven more years to finalize.
2. Section 2 (page 2, lines 2-3), directs the department to maintain information on "game management". This term is unclear what types of data it should include.
3. In Section 4 (page 2, lines 29 – 30 and page 3, lines 1 – 5) it is unclear if the new language in 77-6-102(2), MCA, is directed towards only unleased lands being considered for bidding or also includes renewal leases which are authorized separately under 77-6-205, MCA. The department typically advertises five to ten vacant tracts per year for new leases. This legislation would slightly delay that process. There are, however, 900 to 1,000 leases (1,400 – 1,500 tracts) renewed each year. Compiling this information for Land Board review for all renewal leases would preclude the department from meeting the bidding and renewal deadlines set out in 77-6-205, MCA.

Department of Natural Resources and ConservationOil and Gas Leasing

4. The department currently conducts four quarterly oil and gas lease auctions per year. These quarterly auctions vary in size from 100 to over 300 tracts, and average 200 per sale. The department's current lease sale process takes approximately 12 weeks to complete, including Land Board review of tract stipulations and lease sale results. The Land Board can approve or deny leasing of tracts based on their review. Section 4 would add a second presentation to the Land Board prior to the lease auction process for the Land Board to review and approve or deny leasing of nominated tracts. The department would be unable to complete the review process with a second Land Board meeting within the time available between quarterly sales. The department could incorporate the provisions of HB 448 by holding fewer lease auctions per year.

Sponsor's Initials

Date

Budget Director's Initials

Date